

PWBA News



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LABOR DEPARTMENT, IRS ANNOUNCE JOINT PROJECT FOR FAILING TO FILE FORM 5500 RETURNS/REPORTS Delinquent Filers Encouraged to Use Compliance Assistance Program

WASHINGTON, D.C.—The U. S. Department of Labor's Pension and Welfare Benefits Administration (PWBA) and Internal Revenue Service today announced a joint project to ensure that all employee benefit plans have complied with their annual return/report (Form 5500) filing obligations under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code. Failure to do so may result in significant monetary penalties.

Under the project, the agencies are conducting research of various databases to identify potential non-filers. Beginning in December 2002, the agencies will mail letters of inquiry to those identified as potential non-filers.

ERISA requires most private-sector plans to file the Form 5500 annually. Plan administrators who fail or refuse to comply with ERISA's requirement may face civil penalties of up to \$1,100 per day for each report. Likewise, the IRS may assess penalties of \$25 per day (up to \$15,000) for failure to timely file returns for certain pension and profit sharing plans.

The agencies, however, reminded delinquent filers of the availability of a program to assist plan administrators in filing delinquent reports. The Delinquent Filer Voluntary Compliance Program was established in April 1995 to encourage plan administrators to file overdue annual reports by paying reduced penalties. The program has been updated to substantially reduce the penalty amounts for delinquent Form 5500 reports in order to make it easier to participate in the program. In addition, the IRS stated that it will not assess penalties on delinquent filers who satisfy the requirements of the DFVC Program. Plan administrators who have been notified by PWBA about a delinquent filing are not eligible to participate in the program.

For more information about the project, contact PWBA at (202) 693-8360 (this is not a toll-free number) or the IRS customer service number at 1-877-829-5500. Information about the DFVC Program is available from PWBA on its website at www.dol.gov/pwba or by calling the number above. Questions about the Form 5500 should be directed to PWBA's toll-free number at 1-866-463-3278. Copies of previous filings can be requested by writing to: U. S. Department of Labor, Public Disclosure Office, 200 Constitution Ave., N.W., Room N-1513, Washington, D.C. 20210.

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U.S. Labor Department news releases are accessible on the Internet at www.dol.gov/pwba. The information in this release will be made available in alternative format upon request (large print, Braille, audio tape or disc) from the COAST office. Please specify which news release when placing your request. Call 202-693-7773 or TTY 202-693-7755.

PWBA and IRS Announce New Compliance Effort

- In a press release dated October 7, 2002, the Pension and Welfare Benefit Administration (PWBA) and the Internal Revenue Service (IRS) announced a joint project to ensure that all employee benefit plans have complied with their annual return/report - Form 5500 - filing obligations, under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code.
- ERISA requires most private sector plans to file the Form 5500 annually. Plan administrators who fail or refuse to comply with ERISA's requirement may face civil penalties of up to \$1,100 per day for each report. Likewise, the IRS may assess penalties of \$25 per day (up to \$15,000) for failure to timely file returns for certain pension and profit sharing plans.
- The agencies, however, reminded delinquent filers of the availability of a program to assist plan administrators in filing delinquent reports. The **Delinquent Filer Voluntary Compliance Program** (DFVC) was established in April 1995 to encourage plan administrators to file overdue annual reports by paying reduced penalties. The program has been updated to substantially reduce the penalty amounts for delinquent Form 5500 reports in order to make it easier to participate in the program. In addition, the IRS stated that it would not assess penalties on delinquent filers who satisfy the requirements of the DFVC Program. Those interested in the DFVC program should call the PWBA at the number given below.
- If you are not sure if you have a delinquent Form 5500, please call the IRS with your plan name, your employer identification number, and your plan number and we will research it for you.
- Beginning in December 2002, the IRS will begin to send out Letters of Inquiry to potential non-filers.
- Delinquent filers should act now if they wish to be considered for reduced penalties.
- For more information about the project, contact PWBA at (202) 693-8360 (this is not a toll-free number) or the IRS customer service number at 1-877-829-5500.